

## Message Text

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PAGE 01 RABAT 05009 171243Z

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ACTION AF-18

INFO OCT-01 ISO-00 SPC-03 AID-20 EB-11 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 DODE-00 PM-07 H-03 L-03 PA-04 PRS-01 USIA-15

ACDA-19 IO-14 DRC-01 AGR-20 INT-08 SPM-01 IGA-02 /233 W

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R 171125Z NOV 73

FM AMEMBASSY RABAT

TO SECSTATE WASHDC 569

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E.O. 11652: N/A

TAGS: EAID MO US

SUBJECT: NEWSOM CONSULTATIONS WITH GOM

1. AFTER MEETING WITH KING IN MORNING (RABAT 4978), ASSISTANT SECRETARY NEWSOM SAW SECRETARY OF STATE FOR PLANNING IMANI AND MINISTER OF COOPERATION BENHIMA LATER NOVEMBER 15. ATMOSPHERE OF MEETINGS WAS UNIFORMLY FRANK AND VERY CORDIAL.

2. IMANI DESCRIBED BROAD OBJECTIVES NEW FIVE-YEAR PLAN ALONG LINES ALREADY REPORTED AND ANSWERED SPECIFIC QUESTIONS FROM NEWSOM ON ROLE FOREIGN FINANCING IN IT. IN OPENING REMARKS, IMANI TALKED OF "NEW DIMENSION OF COOPERATION BETWEEN US AND MOROCCO ON GLOBAL BASIS."

3. NEWSOM EXPRESSED USG DESIRE HELP ATTRACT AMERICAN INVESTMENT TO MOROCCO. HE NOTED, HOWEVER, THAT THERE WERE STILL A NUMBER OF PROBLEMS WHICH HAVE NEGATIVE EFFECT ON INVESTMENT CLIMATE, MOST NOTABLY UNCERTAINTY ABOUT HOW MOROCCANIZATION WILL BE IMPLEMENTED. IMANI  
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PAGE 02 RABAT 05009 171243Z

OFFERED HIS HELP IN GETTING ANSWERS TO SPECIFIC QUESTIONS

EMBASSY HAS ASKED GOM ON THIS SCORE (RABAT 4562).

4. MINISTER BENHIMA STRESSED FOLLOWING: (A) IN NUMBER AREAS GOM HAS BEEN DEFECTIVE IN UTILIZING US ECONOMIC ASSISTANCE. CREATION OF HIS OFFICE AS CENTRAL CONTACT POINT ON AID MATTERS SHOULD FACILITATE SOLUTION OF MANY. HE IS WORKING HARD IN THIS DIRECTION. (B) THERE ARE OTHER PROBLEMS CREATED BY COMPLEXITY OF US PROCEDURES, WHICH SHOULD BE STREAMLINED IF AT ALL POSSIBLE. IN ANY CASE, HE WILL SEE THAT OUR REQUIREMENTS ARE MET. (C) US ASSISTANCE IS NOT VISIBLE ENOUGH TO THE AVERAGE MOROCCAN. WE SHOULD UNDERTAKE AT LEAST ONE CAPITAL PROJECT WHICH IS CLEARLY IDENTIFIED AS OURS. (D) FOR POLITICAL REASONS, GOM MUST APPROACH FAMILY PLANNING IN A LOW-KEY FASHION.

5. NEWSOM REPLIED WITH DETAILED DESCRIPTION OF PRESENT ORIENTATION US ECONOMIC ASSISTANCE PROGRAMS AND PROBLEMS WE FACE IN SELLING THEM TO CONGRESS. IN DOING SO, HE NOTED THAT, WHILE WE HAVE SOME FLEXIBILITY IN THE MATTER, WE GENERALLY PREFER TO CONCENTRATE OUR ASSISTANCE IN AREAS SUCH AS AGRICULTURE AND HUMAN RESOURCE DEVELOPMENT, LEAVING CAPITAL PROJECTS FOR IBRD AND OTHER MULTILATERAL AGENCIES.

6. AT END OF MEETING WITH DR. BENHIMA, NEWSOM ASKED ABOUT GOM EXPERIENCE WITH US AGRICULTURAL SECTOR LOANS (ASL'S). BENHIMA MADE THREE POINTS (A) AID PROCEDURES DISCOURAGE IMPORTERS FROM BRINGING IN COMMODITIES FINANCED BY ASL'S. LATELY, TIGHT SUPPLY SITUATION AND HIGH US PRICES FOR MANY ITEMS HAVE ALSO CAUSED PROBLEMS. (B) IT MIGHT BE EASIER TO UTILIZE BULK OF ASL SIGNED IN SEPTEMBER FOR ONE LARGE TRANSACTION. (C) CNCA (GOM FARM CREDIT AGENCY) IS HIGHLY EFFECTIVE ORGANIZATION WHICH HAS NO TROUBLE ATTRACTING FUNDS. IT IS NOT FINANCED FROM REGULAR GOM BUDGET. GOM NEEDS BUDGET SUPPORT PROVIDED BY ASL'S. GOM WOULD, THEREFORE, NOT BE INTERESTED IN US LOAN TO CNCA UNLESS IT WERE ADDITIONAL TO "NORMAL" LEVEL ASL'S.

7. DR. BENHIMA ALSO HOSTED DINNER FOR NEWSOM EVENING NOVEMBER 15. DURING DINNER, MINISTER OF TOURISM SAID LIMITED OFFICIAL USE

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PAGE 03 RABAT 05009 171243Z

HE CONSIDERED HOLIDAY INN DISPUTE WITH GOM ALL BUT SETTLED FOLLOWING VISIT HI CHAIRMAN WILSON TO RABAT IN OCTOBER (RABAT 4643). PROVIDING IT CAN RAISE FUNDS TO DO SO, HI GROUP WILL TAKE 100 PER CENT INTEREST IN FOUR HOTELS AND GIVE GOM COMPENSATION FOR ITS EXPENDITURES TO DATE ON PROJECT (40 PERCENT IMMEDIATELY, 60 PERCENT OVER 8-10 YEARS).  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC ASSISTANCE, DIPLOMATIC DISCUSSIONS, FOREIGN INVESTMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 NOV 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Office:** ACTION AF  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 04 JAN 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <04-Jan-2002 by boyleja>; APPROVED <17-Jan-2002 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** NEWSOM CONSULTATIONS WITH GOM  
**TAGS:** EAID, MO, US, (NEWSOM, DAVID D), (IMANI, ABDELLATEIF), (BENHIMA, MOHAMED)  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005